

## **ORDINANCE No.**

Extend state of housing emergency, operationalize efficiencies, and identify Council powers, specify a twenty-four-month duration, and waive portions of the Portland Zoning Code (Ordinance)

The City of Portland Ordains:

Section 1. The Council finds:

1. The State of Emergency Declarations by Council have allowed for the siting of day storage units and an expedited design review process for affordable housing. These actions have provided significant efficiencies and improvements to accelerate affordable housing development and to provide service locations to people experiencing homelessness.
2. Before the State of Housing and Emergency terminates, these system improvements should be put into operation as the normal course of business of the City.
3. On October 7, 2015, the Council, through Ordinance 187371, declared a housing emergency for a period of one year.
4. On September 7, 2016, the Council, through Ordinance 187973, extended the housing emergency declared in 2015 for one year.
5. On October 4, 2017, the Council, through Ordinance 188627, further extended the housing emergency for an eighteen-month duration.
6. Since the initial declaration, the City continues to take significant measures to alleviate the emergency housing needs of people experiencing homelessness or at risk of homelessness or displacement. Some of the measures are based on directives set forth in the previous ordinances while others are part of larger local/regional/statewide efforts to add to the supply of affordable units and to enhance local tenant protection policies.
7. Ordinance 187371 directed that up to two-day storage units at various locations be set up to address basic humanitarian needs of people experiencing homelessness. Currently, the City operates two such storage units that provide users secure, dry storage facilities for personal belongings during daytime hours. The storage facilities also include portable toilets and sharp containers that allow for safe disposal of biohazardous used needles.

8. During the present state of emergency under PCC 15.040.040, the Council has had the ability to provide temporary housing and temporary permits for shelter and related services for those experiencing homelessness. Continuation of the state of emergency would allow the City to continue this work.
9. To accelerate the production of regulated affordable units during the state of housing emergency, Ordinance 187616 authorized city subsidized housing projects to utilize a Type IIx land use review if in fact the projects were subject to Type III land use review. Two projects, including Riverplace Parcel 3 that will produce 201 regulated units in the city's South Waterfront and Gateway Park in the Gateway District that will add 40 regulated units, are current developments that have utilized this provision. Continuing the state of emergency would allow the City to continue to quickly increase the affordable housing stock that serves low-income households including those who face heightened risk of homelessness.
10. Pursuant to Ordinance 187973, the City's mandatory Inclusionary Housing (IH) program was developed and went into effect February 1, 2017. In the first 18 months Portland's IH has been in effect, the City has permitted, or is in the process to permit over 362 affordable IH units.
11. Portland's total population is nearing 650,000 people, making it the 26<sup>th</sup> most populous city in the nation and the 5<sup>th</sup> largest city on the west coast. During the 2010-2017-time period, the City has grown by 11%, adding just over 64,000 residents. The steady pace of population growth means continuing demand for housing supply that can meet the housing needs of existing and new households without cost burdening them.
12. The City's housing supply, as measured through annual housing production and permitting, are higher than at any point in the last 15 years. According to the City's permits database, Portland added 7,300 units to the housing stock in 2017 even as multifamily permitting set a historic high at over 6,000 permits.
13. Similar to the trends in market rate housing, the production of affordable housing units also reached an all-time high, with more than 800 newly affordable units available for occupancy in 2018 - the largest number ever produced in a single year.
14. According to Oregon state economists, Portland ranks 5<sup>th</sup> out of the top 100 populous cities in the nation for growth in real median household income and growth in educational attainment, since 2007. In spite of this, the prosperity is not shared by all segments of the population.
15. Profound income disparities continue to exist despite recent income gains for all types of households. While the citywide Median Household Income (MHI) is at \$66,187, the MHI for renter households at \$45,130 is 30% less than the citywide measure.

16. In 2015 the overall rent growth in Portland was an average of 8 to 9 percent – one of the highest in the nation. Rent growth slowed in 2016 to an average rate of 7 percent over the previous year. In 2017, after years of citywide rent increases, Portland saw a slight softening in rents with a smaller overall rent growth of 2 percent. This softening has continued into 2018 with average rents at \$1,430 per month.
17. Households are extremely cost-burdened if they pay 50% or more of their income on housing costs and cost-burdened if they pay 30% or more of their income on housing costs. Cost-burdened households are at increased risk of housing instability, with homelessness as the worst manifestation.
18. The population experiencing homelessness are amongst the most vulnerable residents of Portland. The 2017 Point-in-Time (PIT) count recorded that 1,668 individuals were unsheltered on the night of the count while 1,752 people were in area emergency shelters and 757 were in transitional housing. Overall, there was a 9.9 percent increase in the total population counted (4,177) compared to the 2015 PIT count (3,801). While the PIT count does not assess causes for homelessness, there is recognition that a lack of affordable housing is a leading factor.
19. The housing affordability crisis also adversely impacts many low-income renters. Just under one-third (27%) of Portland renters are extremely cost-burdened and face heightened risk of displacement and/or homelessness.
20. The persistence of people experiencing unsheltered homelessness, the reliance of well over 1,500 people in our emergency shelters and the severe shortage of affordable housing are circumstances that create an immediate need to provide adequate, safe, and habitable shelter to persons experiencing homelessness.
21. Experiencing homelessness causes tremendous human suffering and demands a spectrum of emergency response that includes adequate, safe, and habitable shelters, affordable housing units, and appropriate supportive services. Since 2015, the Council has recognized and responded to the ongoing affordable housing crisis in an emergency mode.
22. During this period of emergency, the Council has funded a wide range of other programs like the Homelessness and Urban Camping Impact Reduction, the Park Ranger Program, Neighborhood Response Teams, etc., to mitigate impacts of homelessness, improve community livability, and to address issues of public health and safety.
23. Alongside directives from emergency ordinances, several other noteworthy efforts are underway to address Portland's affordable housing crisis and to strengthen protections for renters most vulnerable to displacement and/or homelessness.

24. Responding to an urgent community need, in October 2017, the Council and the Multnomah County Board of Commissioners adopted parallel resolutions stating a goal to create 2,000 new supportive housing units by the year 2028.
25. In November 2016, Portland voters approved measure No. 26-179, authorizing \$258.4 million in general obligation bonds to fund at least 1,300 units of newly affordable housing over five to seven years. To date, the bond measure has helped add 634 affordable units that includes 281 units targeted towards extremely low-income households.
26. The N/NE Neighborhood Housing Strategy is a City initiative to address the legacy of displacement in North and Northeast Portland through investments to create new affordable housing opportunities for first-time homebuyers, and home retention programs for longtime residents of the area. A noteworthy example of this strategy is the Beatrice Morrow development with 80 regulated units that opened late 2018.
27. The Council passed significant tenant protection policies during this housing emergency period. Notably, in February 2017, the Council passed an amendment to the Affordable Housing Preservation and Portlander Renter Protections code via Ordinance 188219 that added mandatory relocation assistance for involuntary displacement of tenants.

NOW, THEREFORE, the Council directs:

- a. There continues to be a state of emergency presented for people experiencing homelessness or housing instability throughout Portland, requiring a further extension of the housing emergency initially declared by Ordinance 187371 and subsequently extended twice through Ordinance 187973 and Ordinance 188123 under Portland City Code (PCC) Title 15 for the entire city. The provisions of PCC 15.04.040.B limiting the duration of the extension of a housing emergency are waived, and the housing emergency declared by Ordinance 187371 is hereby further extended for an additional twenty-four-month period, through April 4, 2021.
- b. The duration of the housing emergency shall be for a period of twenty-four months from the effective date of this ordinance, unless extended by the Council as provided in PCC 15.04.030.B, or terminated sooner by the Council as provided in PCC 15.04.030.G.
- c. For the duration of the housing emergency, the City may otherwise exercise such authority as is provided in PCC 15.08.025.

- d. The provisions of Ordinance 187616 authorizing a Type IIx rather than Type III design review and historic design review of certain defined affordable housing projects will continue for the duration of the housing emergency.
- e. The applicable provisions of Title 33, other than the temporary general regulations under PCC 33.296.040, shall be waived to allow the City to site up to two storage units at optimal locations for the duration of the housing emergency.
- f. The Bureau of Planning and Sustainability (BPS) in coordination with the Office of Management and Finance (OMF), Portland Bureau of Transportation (PBOT), Bureau of Development Services (BDS), and Multnomah County is directed to develop a legislative proposal to amend City Code to allow for the permanent siting of day storage units.
- g. BPS in coordination with the Joint Office of Homelessness Services (JOHS) is directed to develop a legislative proposal to amend City Code to allow for temporary housing, shelters, and alternative shelter siting; and
- h. BPS in coordination with BDS and the Portland Housing Bureau (PHB) is directed to amend Title 33 to codify the Type IIx process option for certain defined affordable housing projects.
- i. PHB and JOHS will routinely track relevant measures that capture the following set of criteria with direct but distinct association to the state of housing emergency:
  - 1) Homeless Services System Performance Measures: a set of measures that are tracked quarterly for HUD by area homeless service providers that directly indicate the impact of housing emergency:
    - a. Average length of time a person remains homeless
    - b. Percent returning to homelessness within two years of exiting to permanent housing destinations
    - c. Number of people unsheltered (Point-in Time Count)
    - d. Number of people in emergency shelters
    - e. Number & percent experiencing homelessness for the first time (in a two-year window) from people who received homeless services

2) Proxy Measures of Housing Affordability: a set of measures that collectively helps gauge housing affordability:

- a. Citywide rental vacancy
- b. Average gross rent
- c. Average gross rent increase compared to previous year
- d. Units permitted
- e. Units produced
- f. Affordable housing produced
- g. Affordable housing in pipeline
- h. Share of cost burdened renters (spending 30% or more on rent)
- i. Median Household Income by race/ethnicity

Passed by the Council:

Mayor Ted Wheeler  
Prepared by: Uma Krishnan  
Date Prepared: 1/29/2019

**Mary Hull Caballero**  
Auditor of the City of Portland  
By  
Deputy



## IMPACT STATEMENT

**Legislation title:** Extend state of housing emergency, operationalize efficiencies and identify Council powers, specify a twenty-four-month duration, and waive portions of the Portland Zoning Code (Ordinance)

**Contact name:** Uma Krishnan

**Contact phone:** 503-823-5129

**Presenter name:** Shannon Callahan, Marc Jolin

**Purpose of proposed legislation and background information:**

The purpose of this legislation is to extend the housing emergency initially declared by Ordinance 187371 and subsequently extended twice through Ordinance 187973 and Ordinance 188627 in the City of Portland and waive the necessary provisions in Title 15 to increase the duration of the emergency for an additional twenty-four-month period, through April 4, 2021. Further, the extension is also intended to begin work on legislative proposals by relevant City Bureaus that will start looking at amendments to Title 33 in ways that can offer sustainable solutions to allow for (1) the permanent siting of day storage units, (2) expeditiously allow for temporary housing and issuance of permits related to shelter and alternative shelter siting and, (3) create an expeditious process for design review of affordable housing projects.

Notably, the existing state of housing emergency has allowed these three system improvements to provide basic humanitarian services to people experiencing homelessness and to expedite affordable housing development. The extension will allow for efforts that can operationalize these improvements in the normal course of business of the City in ways that are not dependent upon an emergency declaration.

Since the initial declaration, the City continues to take significant measures to alleviate the emergency housing needs of people experiencing homelessness or at risk of homelessness or displacement. Some of the measures are based on directives set forth in the previous ordinances while others are part of larger local/regional/statewide efforts to add to the supply of affordable units and to enhance local tenant protection policies.

Conditions like steep rent increases, very low vacancy rates and housing demand that far outpaced the housing supply precipitated an affordable housing crisis and ensuing declaration of housing emergency back in 2015. More recently, the rent growth has softened to 2%, citywide vacancy rates are stabilizing at 5% to 6% and production of housing units, both market and affordable, is at a historic high. In 2017, Portland added 7,300 market rate units while more than 800 newly affordable units became available for occupancy in 2018. At the same time, manifestations of unmet housing needs continue to persist.

The 2017 Point-in-Time (PIT) count recorded that 1,668 individuals were unsheltered on the night of the count while 1,752 people were in area emergency shelters and 757 were in

transitional housing. Overall, there was a 9.9 percent increase in the total population counted (4,177) compared to the 2015 PIT count (3,801).

The housing affordability crisis also adversely impacts many low-income renters. Just under one-third (27%) of Portland renters are extremely cost-burdened and face heightened risk of displacement and/or homelessness.

Under these circumstances, services and shelters that have catered to basic human needs, should be continued while appropriate legislative solutions can be worked out. Given the dependency of these actions on a state of emergency, the current state of housing emergency should be extended for another two years.

**Financial and budgetary impacts:**

The Bureau of Planning and Sustainability will need resources for staff to manage the work associated with the ordinance directives.

**Community impacts and community involvement:**

Through this extension, the city will continue to utilize tools and methods not available outside of the housing emergency to provide adequate, safe and habitable shelters and basic humanitarian services for persons experiencing homelessness, many of whom are our community's most vulnerable people. Further, this extension is critical to avoid serious and/or abrupt disruptions to necessary services for households as this will likely cause enhanced sufferings while legislative solutions are in the works.

**100% Renewable Goal:**

This ordinance does not impact the City's 100% renewal goal.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

- ☐ **YES:** Please complete the information below.  
☒ **NO:** Skip this section